# LOXAM

**QUARTERLY REPORT June 30, 2022**

**TABLE OF CONTENTS**

## DEFINITIONS

In this document:

- “Company” means LOXAM SAS, and “we”, “us”, “our” and “our group” refer to LOXAM SAS and its consolidated subsidiaries, unless the context requires otherwise;
- “Profit from ordinary operations” means operating profit plus certain items disclosed separately under “other operating income and expense”, including a limited number of items, unusual, abnormal, and uncommon, with significant amounts. These items are disclosed separately in the income statement to make it easier to appreciate the Group’s current operating performance;
- “EBITDA” means profit from ordinary operations plus depreciation and amortization of fixed assets;
- “Free cash flow” means EBITDA (before capital gains on fleet disposals) plus the proceeds from disposals of fixed assets less the following: (i) gross capital expenditures, (ii) other operating income and expense (excluding non-cash expense or income), (iii) finance income and expense (excluding non-cash expense or income), (iv) income taxes (excluding deferred taxes), (v) increases in working capital requirement and (vi) miscellaneous items;
- “Gross book value” means the total acquisition cost of the fleet equipment;
- “Gross debt” means loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt excluding derivative instruments on the balance sheet;
- “Net debt” means gross debt less cash and cash equivalents (cash plus marketable investment securities);
- “At constant perimeter” means changes for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation;
- “Published” means financial information released for the period indicated;

## NOTICE

All financial information in this quarterly report has been prepared in accordance with IFRS and is presented in millions of euros. This financial information and the notes to the financial statements have not been subject to an audit by our statutory auditors.

In this document, we use certain non-IFRS measures, such as EBITDA, free cash flow or net debt, as we believe they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools. Non-IFRS measures such as EBITDA, free cash flow and net debt are not measurements of our performance or liquidity under IFRS and should not be considered to be alternatives to operating profit or any other performance measures derived in accordance with IFRS. They should not be considered to be alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with IFRS.

Rounding adjustments have been made in calculating some of the financial and other information included in this document. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

### *Comparability of the financial statements*

Changes in the size of our rental network as a result of acquisitions and of opening or acquiring new branches and closing existing ones can have a significant impact on our revenue from one period to the next. This change in scale affects the comparability of our results during those periods by increasing both revenue and expenses.

Our consolidated financial statements for the quarter ended June 30, 2022 include 3 months of activity of JM Trykluft and of Maskinslussen, acquired on June 1, 2021 and on June 10, 2021 respectively. Both entities have been consolidated as of June 1, 2021, and contributed for 1 month in our consolidated financial statements for the quarter ended June 30, 2021.

The information provided at constant perimeter for the quarter ended June 30, 2022 compared to the quarter ended June 30, 2021 excludes the financial information of JM Trykluft and Maskinslussen for the quarters ended June 30, 2022 and June 30, 2021.

This document contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the securities laws of other jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “believes”, “estimates”, “aims”, “targets”, “anticipates”, “expects”, “intends”, “plans”, “continues”, “ongoing”, “potential”, “product”, “projects”, “guidance”, “seeks”, “may”, “will”, “could”, “would”, “should” or, in each case, their negative, or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, competition in areas of our business, outlook and growth prospects, strategies and the industry in which we operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.
Any forward-looking statements in this document are based on plans, estimates and projections as they are currently available to our management. We undertake no obligation, and do not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise and any opinion expressed in this document is subject to change without notice. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. The Company, as well as its affiliates, directors, advisors, employees and representatives, expressly disclaim any liability whatsoever for such forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this document.

*This document does not constitute, or form part of, an offer or invitation to sell or purchase, or any solicitation of any offer to purchase or subscribe for, any securities of the Company in any jurisdiction whatsoever. This document shall not form the basis of, or be relied upon in connection with, any contract or commitment whatsoever*.

## CONSOLIDATED FINANCIAL STATEMENTS SUMMARY

| Consolidated Income Statement (IFRS) | Six months ended June 30, | |
|---|---|---|
| *(in millions of euros)* | **2021** | **2022** |
| **Revenue** | **1,044.4** | **1,168.2** |
| Other income | 24.3 | 23.3 |
| Purchases consumed | (105.3) | (117.9) |
| Personnel expenses | (292.5) | (313.2) |
| Other current expenses | (297.5) | (348.2) |
| Taxes and duties | (9.4) | (10.5) |
| Depreciation and amortization | (258.6) | (274.3) |
| **Profit from ordinary operations** | **105.5** | **127.5** |
| Other operating income and expense | (1.6) | (0.1) |
| **Operating profit** | **103.9** | **127.4** |
| Financial income and expense | (75.0) | (74.3) |
| **Profit before tax** | **28.9** | **53.2** |
| Share of profit of associates | 0.2 | - |
| Income tax expense | (3.2) | (12.8) |
| **Net profit** | **25.9** | **40.4** |
| Non-controlling interests | 0.8 | (0.1) |
| **Net profit, group share** | **25.1** | **40.5** |

| **Consolidated balance sheet (IFRS)** | **As of** | |
|---|---|---|
| *(in millions of euros)* | **December 31, 2021** | **June 30, 2022** |
| Intangible assets and goodwill | 2,297.2 | 2,267.0 |
| Property, plant and equipment | 2,227.4 | 2,398.1 |
| Investments in associates | 9.5 | 9.5 |
| Financial assets | 18.8 | 17.7 |
| Financial derivatives | 1.2 | 4.8 |
| Deferred tax assets | 14.1 | 11.8 |
| **Non-current assets** | **4,568.1** | **4,709.0** |
| Inventories | 54.1 | 61.5 |
| Trade and other receivables | 455.1 | 503.8 |
| Other current assets | 67.6 | 73.6 |
| Cash and cash equivalents | 470.9 | 273.6 |
| **Current assets** | **1,047.7** | **912.6** |
| **TOTAL ASSETS** | **5,615.8** | **5,621.5** |
| **Shareholders' equity** | **705.6** | **725.0** |
| Provisions for employees benefits | 53.3 | 41.4 |
| Deferred tax liabilities | 200.2 | 198.3 |
| Borrowings and financial debt - long term portion | 3,404.0 | 3,671.5 |
| Financial derivatives | 2.9 | 0.4 |
| **Non-current liabilities** | **3,660.5** | **3,911.6** |
| Provisions | 10.2 | 8.6 |
| Borrowings and financial debt - current portion | 735.2 | 499.3 |
| Supplier and other payables | 309.1 | 291.3 |
| Other current liabilities | 195.2 | 185.8 |
| **Current liabilities** | **1,249.7** | **984.9** |
| **TOTAL EQUITY AND LIABILITIES** | **5,615.8** | **5,621.5** |

| **Consolidated condensed cash-flow statement (IFRS)** | **Six months ended June 30,** | |
|---|---|---|
| *(in millions of euros)* | **2021** | **2022** |
| Cash flow from operations | 254.0 | 211.0 |
| Cash flow from investing activities | (200.7) | (417.9) |
| Cash flow from financing activities | (112.7) | 5.2 |
| **Change in cash and cash equivalents** | **(59.4)** | **(201.8)** |
| **Cash and cash equivalents at the end of the period** (1) | **569.6** | **267.5** |

(1) Cash and cash equivalents at the end of period is defined net of bank overdrafts.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion should be read together with our consolidated financial statements and the notes thereto. Our financial statements included herein have been presented in euros and prepared in accordance with IFRS*.

**Overview**

The Loxam Group is the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on the revenue for year ended December 31, 2021.

The Group has operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the twelve months ended June 30, 2022, the Group generated €2,308.8 million in pro forma revenue and €814.9 million in pro forma EBITDA.

The Group activities are conducted in three principal geographies:

- **France**, with a network of 489 branches as of June 30, 2022. In France, the Group provides both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. France generated 41% of group's pro forma revenue for the twelve months ended June 30, 2022.
- **Nordic countries**, which consist of Denmark, Norway, Sweden and Finland**.** As of June 30, 2022, the network in Nordic countries comprised 216 branches and provided both generalist and specialist equipment primarily through Ramirent and Loxam Access brands. Nordic countries generated 30% of group's pro forma revenue for the twelve months ended June 30, 2022.
- **Rest of the World**, which includes all other international countries where the Group provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of June 30, 2022, the Group operated in the Rest of the World with a network of 369 branches and generated 29% of group's pro forma revenue for the twelve months ended June 30, 2022.

As of June 30, 2022, the rental fleet of Loxam Group consisted of approximately 650,000 pieces of equipment (excluding accessories) with a gross book value of €4.8 billion.

**Economic conditions over the first six months of 2022.**

During Q2, demand from construction industry continued to be sustained in all geographies, while demand from other segments was good including the events sector. The Group has benefitted from the environment and recorded an organic growth of +10.4% during the first semester thanks to an increase in its capex. The state of the macroeconomy has deteriorated quickly during the semester because of the war in Ukraine and rising energy prices. The environment bids for cautiousness but customers have still communicated a good level of work to execute over the coming months.

The revenue trend observed during H1 has continued with similar strength during the beginning of Q3 despite growing uncertainties with regards to the macro-economic situation.

**Investment in new equipment**

The gross capital expenditures in the second quarter of 2022 amounted to €216.9 million, of which €205.8 million was fleet Capex compared to gross capital expenditures of €102.4 million, of which €93.2 million was fleet Capex in the second quarter of 2021.

**Changes in rental network**

The Group operated 1,074 branches as of June 30, 2022 compared to 1,066 as December 31, 2021. Over the first six months of 2022, we opened 7 branches, acquired 3 branches and closed 2 branches as part of usual adjustments to the network.

**Significant events of the six-month period**

On February 10, 2022, the Group issued a Senior secured bond for a notional amount of €350 million with a maturity date 2027, paying a coupon of 4.5%. The proceeds from this new issue together with cash were used for the early redemption of two bonds for an outstanding amount of €550 million on the same date:

- the Senior secured bond of €300 million with a maturity in 2022 (fixed rate of 3.5%),
- the Senior secured bond of €250 million with a maturity in 2023 (fixed rate of 3.5%).

Since February 2022, the war in Ukraine has destabilized the financial and commodity markets, resulting in an uncertain economic situation in Europe for 2022.
The Group has no activity in Ukraine; it operates in Russia through Fortrent, a 50% owned joint venture with Cramo Oy. The Group's stake in this entity is accounted for under the equity method.
The Group monitors closely the evolution of the situation in Ukraine and Russia and follows the potential impacts of international sanctions. Considering the level of uncertainty on its business operations in Russia and the high volatility of the rouble, the Group has decided for the period ended June 30, 2022:

- to reverse the net positive result of Fortrent (gain of €0.9 million for the six months period);
- to neutralize the effect of the increase of rouble as it does not reflect normal currency market conditions (increase of €5.4 million of the value of the investment in associates);
- to depreciate the receivable with Fortrent, considering a risk of non-collectability (balance of €0.8 million at end of June 30, 2022).

On March 17, 2022, RentSafe Sverige AB, a fully owned subsidiary of Ramirent Group, and ATA Hill & Smith AB have entered into an agreement to acquire ATA's rental and contracting business through the acquisition of assets and the transfer of staff. The acquisition, completed on April 29, 2022, will reinforce Ramirent's expertise in road traffic safety in Sweden.

On May 31, 2022, Ramirent Safe Access AB, a fully owned subsidiary of Ramirent Group, which offers services and solutions in scaffolding, weather protection and fall protection, acquired the assets of Monteringsställningar, based in Sala in Sweden.

On May 20, 2022, Loxam's IT Department detected a cyber-attack. All of the Group's cybersecurity procedures were immediately activated in order to stop the spread of the attack and to protect the company and its affected parties. Despite the temporary shutdown or slowdown of certain functions, commercial activity was maintained. From May 25, 2022, the company was able to resume its normal activity. Following the data theft suffered by Loxam, the incident was declared to the authorities as well as the Group’s insurers and other stakeholders (customers, suppliers, and staff).

**Post quarter events**

On July 11, 2022, Hune Rental acquired Talleres Arteixo S.L.U. (Arteixo Maquinaria) which operates 2 branches in Arteixo and Santiago de Compostela, in the north of Spain.

On July 29, 2022, Loxam acquired Sofranel SAS and Société Cominoise de Location SAS (SCL), which operate 2 branches in Northern France.

**Explanation of Key Line Items from the Income Statement**

The following is a summary description of certain line items from our income statements.

- ***Revenue*** includes the fees paid by customers to rent equipment and revenue from related services such as transportation, fuel, damage waivers and the cost of repair and maintenance services charged back to our customers, as well as the retail activities at our branches.
- ***Other income*** principally includes net capital gains on disposals of fleet assets and real estate rent paid by subtenants.
- ***Purchases consumed*** includes (1) the cost of goods purchased for resale in our retail activity, as well as the cost of fuel and maintenance parts that are rebilled to customers; and (2) the cost of parts used by the workshops in our branches to maintain our equipment.
- ***Personnel expenses*** relates primarily to the salaries, social security charges, and profit sharing expenses for our employees.
- ***Other current expenses*** include (1) external expenses that are directly related to our rental activity, such as transportation, subcontracted maintenance costs, re-rent (subleasing equipment from external renters to fill customer orders when there is not sufficient quantity at our branches) and costs associated with temporary workers; (2) external expenses related to the group, such as rent on real estate and related expenses, general administrative expenses (including insurance, advisory fees, communications and IT), advertising expenses and other management costs; and (3) losses on bad debts, net of change in provisions on current assets.
  Since January 1, 2019, the rent expenses related to lease contracts for real estate, heavy vehicles and light vehicles in the scope of IFRS 16 standard are cancelled.
- ***Taxes and duties*** relate mainly to property and local taxes (including the CET or *Contribution Economique Territoriale* paid in France).
- ***Depreciation and amortization*** principally include depreciation of fixed assets (fleet and non-fleet). Depreciation and amortization also include amortization of intangible assets (trademarks and customer relationships) as well as depreciation of the right-of-use assets as per IFRS 16.
- ***Other operating income and expense*** includes a limited number of unusual, abnormal, and uncommon items, with significant amounts, which are disclosed separately in the income statement to make it easier to appreciate the Group's current operating performance.
- ***Financial income*** primarily includes interest income on cash balances, while financial expense comprises interest charges on bank loans and bonds and hedging expenses. It also includes changes in the fair value of derivatives instruments and the interest cost related to the lease liability generated by the application of the IFRS 16 standard as from January 1, 2019.
- ***Income tax*** consists of current and deferred taxes calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. As of June 30, 2022, the corporate tax rate in France was 25.83%. We are also subject to tax rates in the other countries in which we operate, which ranged from 0% to 35% as of that date.
- ***Share of associates*** includes the group's share of the result of companies accounted for by the equity method.

## Results of operations

The table disclosed below sets out the results of operations for the quarters ended June 30, 2022 and 2021.

| **Consolidated Income Statement according to IFRS** *(in millions of euros)* | **Quarter ended June 30,** | |
|---|---|---|
| | **2021** | **2022** |
| **Revenue** | **547.5** | **604.3** |
| Other income [(1)] | 14.0 | 12.3 |
| Purchases consumed | (54.0) | (58.4) |
| Personnel expenses | (149.1) | (157.9) |
| Other current expenses | (157.3) | (179.9) |
| Taxes and duties | (3.7) | (4.1) |
| Depreciation and amortization | (130.3) | (140.2) |
| **Profit from ordinary operations** | **67.0** | **76.2** |
| Other operating income and expense [(2)] | (0.9) | (0.1) |
| **Operating profit** | **66.1** | **76.1** |
| Financial income and expense | (37.7) | (37.9) |
| **Profit before tax** | **28.5** | **38.3** |
| Share of profit of associates | 0.4 | (0.5) |
| Income tax expense | (2.3) | (7.5) |
| **Net profit** | **26.6** | **30.3** |
| Non-controlling interests | 0.4 | (0.1) |
| **Net profit, group share** | **26.2** | **30.4** |

Notes:

(1) Other income includes capital gains on fleet disposals amounting to €10.2 million and €12.2 million in Q2 2022 and Q2 2021 respectively.

(2) Other operating income and expense for Q2 2022 included acquisition costs for €(0.1) million.
Other operating income and expense for Q2 2021 included acquisition costs for €(0.5) million and the full depreciation of the Nacanco trademark for €(0.4) million.

The table disclosed below sets out our results of operations for the six months ended June 30, 2022 and 2021.

| **Consolidated Income Statement according to IFRS** | **Six months ended June 30,** | |
|---|---|---|
| *(in millions of euros)* | **2021** | **2022** |
| **Revenue** | **1,044.4** | **1,168.2** |
| Other income [(1)] | 24.3 | 23.3 |
| Purchases consumed | (105.3) | (117.9) |
| Personnel expenses | (292.5) | (313.2) |
| Other current expenses | (297.5) | (348.2) |
| Taxes and duties | (9.4) | (10.5) |
| Depreciation and amortization | (258.6) | (274.3) |
| **Profit from ordinary operations** | **105.5** | **127.5** |
| Other operating income and expense [(2)] | (1.6) | (0.1) |
| **Operating profit** | **103.9** | **127.4** |
| Financial income and expense | (75.0) | (74.3) |
| **Profit before tax** | **28.9** | **53.2** |
| Share of profit of associates | 0.2 | - |
| Income tax expense | (3.2) | (12.8) |
| **Net profit** | **25.9** | **40.4** |
| Non-controlling interests | 0.8 | (0.1) |
| **Net profit, group share** | **25.1** | **40.5** |

Notes:

(1) Other income includes capital gains on fleet disposals amounting to €19.6 million and €20.9 million in H1 2022 and H1 2021 respectively.

(2) Other operating income and expense for H1 2022 acquisition costs for €(0.1) million.
Other operating income and expense for H1 2021 included impairment of capitalized costs related to non-completed projects in Sweden for €(0.7) million, acquisition costs for €(0.5) million and the full depreciation of the Nacanco trademark for €(0.4) million.

We consider revenue and EBITDA to be key measures in analyzing our business. EBITDA is a non-IFRS measure but we believe that it and similar measures are widely used by certain investors as supplemental measures of performance and liquidity.

The following table sets out these key figures in each of the main geographies for the three months period and six months period ended June 30, 2022 and 2021.

| | **Quarter ended June 30,** | | **Six months ended June 30,** | |
|---|---|---|---|---|
| *(in millions of euros)* | **2021** | **2022** | **2021** | **2022** |
| **Revenue** | | | | |
| France | 236.7 | 248.8 | 457.3 | 483.7 |
| Nordic Countries | 161.0 | 180.6 | 304.5 | 349.8 |
| Rest of the World | 149.9 | 174.9 | 282.6 | 334.7 |
| **Total Revenue** | **547.5** | **604.3** | **1,044.4** | **1,168.2** |
| **EBITDA** | | | | |
| France | 89.1 | 94.9 | 168.5 | 176.1 |
| Nordic Countries | 48.0 | 53.4 | 88.5 | 102.7 |
| Rest of the World | 60.2 | 68.1 | 107.0 | 123.0 |
| **Total EBITDA** | **197.3** | **216.4** | **364.0** | **401.8** |
| *EBITDA margin* | *36.0%* | *35.8%* | *34.9%* | *34.4%* |

**Quarter ended June 30, 2022 compared to quarter ended June 30, 2021**

***Revenue***

Revenue increased by 10.4% to €604.3 million in the second quarter of 2022 from €547.5 million in the second quarter of 2021. At constant perimeter and exchange rates, revenue increased by 9.3% as all geographies benefitted from a good level of demand from their customers and a significant increase in their Capex program. Also The Group was gradually able to increase rental prices and recharge the increasing services costs because of the inflation in haulage and fuel to its customers.

Revenue in France increased by 5.1% to €248.8 million in the second quarter of 2022 compared to €236.7 million in the second quarter of 2021. Economic conditions in the construction industry remained good and the revenue trend experienced in Q1 continued during Q2 thanks to the increasing capex.

Revenue of activities in Nordic countries increased by 12.2% to €180.6 million in Q2 2022 from €161.0 million in Q2 2021. At constant perimeter and exchange rates, revenue increased by 10.3%. The rebound of the revenue continued in Q2 while performance in 2021 was still constrained by consequences of the Covid. Also the business has seen an increase in services delivered to customers.

In the Rest of the World, revenue increased by 16.7% to €174.9 million (+14.6% at constant exchange rate) against the same period of last year at €149.9 million. This Division also benefitted from its increase in Capex to serve the rising demand from its customers.

***Other operating income***

Other income decreased by 11.7% to €12.3 million in the quarter ended June 30, 2022 from €14.0 million in the quarter ended June 30, 2021, mainly due the lower capital gains on fleet disposals in Q2 2022 compared to Q2 2021. Given the good level of demand, fleet disposals, notably in France, have been delayed to the second part of the year.

***Purchases consumed***

Purchases consumed increased by 8.1% to €58.4 million for the quarter ended June 30, 2022 compared to €54.0 million for the quarter ended June 30, 2021. This increase was mainly due to higher fuel costs.

***Personnel expenses***

Personnel expenses increased by 5.9% to €157.9 million in the quarter ended June 30, 2022 from €149.1 million in the quarter ended June 30, 2021 due to the increase in wages and staff numbers in most geographies versus the level of Q2 2021.

***Other current expenses***

Other current expenses increased by 14.3% to €179.9 million in the second quarter of 2022 from €157.3 million in the second quarter of 2021. The rise of haulage costs, energy costs, services costs, maintenance costs, marketing costs, have increased because of the combination of a rise in volume and price inflation. During Q2 2022, we also acknowledged a rise in bad debt as customers were faced with rising raw materials costs and a tightening of liquidity as some loans awarded during the Covid period have to be repaid.

### *Depreciation, amortization and provisions*

Depreciation and amortization for property, plant and equipment amounted to €101.7 million in the quarter ended June 30, 2022 compared to €92.8 million in the quarter ended June 30, 2021, reflecting an increase of 9.5%, as a consequence of the increase in fleet capex and a contribution of the two acquired companies during Q2 2021 (JM Trykluft in Denmark and Maskinslussen in Sweden).
The amortization expense of intangible assets amounted to €11.3 million in Q2 2022 almost flat in comparison to €11.5 million in Q2 2021.
The depreciation of the right-of-use assets amounted to €27.2 million in the quarter ended June 30, 2022 compared to €25.9 million in Q2 2021.

### *Other operating income and expense*

Other operating expense amounted to €(0.1) million in the quarter ended June 30, 2022 and related to costs incurred for the assets deals in Sweden.

### *Financial income and expense*

Net financial expense increased by €0.2 million to €37.9 million in the quarter ended June 30, 2022, compared to €37.7 million in Q2 2021. Following the bonds refinancing that occurred early in February, bonds interests expense decreased by €2.7 million while interests expenses on other loans increased by €1.6 million considering the draw-down of new bilateral loans finance leases and the cost for the undrawn RCF of €345 million. It also includes the full depreciation of the receivable balance with Fortrent of €0.8 million.

### *Income tax*

Profit before tax amounted to €38.3 million in the quarter ended June 30, 2022 versus €28.5 million in the quarter ended June 30, 2021.
Income tax was an expense of €(7.5) million in the quarter ended June 30, 2022, compared to an expense of €(2.3) million in the quarter ended June 30, 2021, as a consequence of the general increase in profitability in most countries.

### *Net profit, group share*

We recorded a net profit, group share of €30.4 million in the quarter ended June 30, 2022 compared to a profit of €26.2 million in the quarter ended June 30, 2021.

### *EBITDA*

We define EBITDA as profit from ordinary operations plus depreciation and amortization of fixed assets and right-of-use of leased assets (in accordance with the application of IFRS 16). The following table presents a reconciliation of EBITDA to operating income and net income for the periods indicated.

| | Quarter ended June 30 , | | Six months ended June 30 , | |
|---|---|---|---|---|
| *(in millions of euros)* | **2021** | **2022** | **2021** | **2022** |
| **EBITDA** | **197.3** | **216.4** | **364.0** | **401.8** |
| Depreciation and amortization | (130.3) | (140.2) | (258.6) | (274.3) |
| **Profit from ordinary operations** | **67.0** | **76.2** | **105.5** | **127.5** |
| Other operating income and expense | (0.9) | (0.1) | (1.6) | (0.1) |
| **Operating profit** | **66.1** | **76.1** | **103.9** | **127.4** |
| Financial income and expense | (37.7) | (37.9) | (75.0) | (74.3) |
| Share of profit of associates | 0.4 | (0.5) | 0.2 | - |
| Income tax expense | (2.3) | (7.5) | (3.2) | (12.8) |
| **Net profit** | **26.6** | **30.3** | **25.9** | **40.4** |

EBITDA increased by 9.7% and amounted to €216.4 million in Q2 2022 compared to €197.3 million in Q2 2021. At constant perimeter and exchange rate, EBITDA increased by 8.1%.The EBITDA margin slightly decreased to 35.8% from 36.0% in Q2 2021.

France generated an EBITDA of €94.9 million in Q2 2022, increased by 6.4% from €89.1 million in Q2 2021. The EBITDA margin increased slightly by 0.5 points to 38.1%, the division was able to control well its costs.

Nordic countries posted an EBITDA of €53.4 million representing an increase of 7.4% at constant perimeter and exchange rates. EBITDA margin was almost stable at 29.6% despite an increase in the level of services to customers.

In the Rest of the World, EBITDA increased by 11.2% to €68.1 million at constant perimeter and exchange rate, while the EBITDA margin remained strong at 38.9%.

### *Capital expenditures*

In Q2 2022, gross capital expenditures amounted to €216.9 million, compared to €102.4 million in Q2 2021. Fleet capital expenditures amounted to €205.8 million in Q2 2022, compared to €93.2 million in Q2 2021.

In Q2 2022, the gross book value of disposed rental equipment was €45.0 million, compared to €52.1 million in Q2 2021.

### *Free cash flow*

We define free cash flow as EBITDA (excluding non-cash IFRS 16 impact) less net capital expenditures, other operating income and expense (excluding non-cash operating income and expense), financial income and expense (excluding non-cash financial income and expense), taxes (excluding deferred taxes), capital gains on fleet disposals and certain other income and expenses and changes in working capital requirement. Free cash flow is presented before the payment of dividends to shareholders, capital increases / share buy-back, acquisitions and high yield amortization costs. We present free cash flow as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present free cash flow differently than we do. Free cash flow is not a measure of financial performance and should not be considered as an alternative to operating income as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

In Q2 2022, Loxam recorded a negative recurring free cash flow of €(83.0) million compared to a positive recurring free cash flow of €61.7 million in Q2 2021, mainly explained by a rising level of fleet capex and a negative impact of the change in working capital requirement because of the high growth in revenue.

The following table presents a reconciliation of free cash flow to EBITDA for the periods indicated.

| *(in millions of euros)* | **Quarter ended June 30,** | | **Six months ended June 30,** | |
|---|---|---|---|---|
| | **2021** | **2022** | **2021** | **2022** |
| **EBITDA post IFRS 16** | **197.3** | **216.4** | **364.0** | **401.8** |
| Rents IFRS 16 impact | (28.1) | (29.5) | (55.7) | (58.5) |
| **EBITDA pre IFRS 16** | **169.3** | **186.9** | **308.3** | **343.3** |
| + Capital gains on fleet disposals and other items | (15.0) | (10.2) | (23.4) | (20.8) |
| + Proceeds from disposals of fixed assets | 16.9 | 15.1 | 30.5 | 28.4 |
| - Gross capital expenditures | (102.4) | (216.9) | (158.7) | (385.0) |
| - Financial income and expense (1) | (35.6) | (30.4) | (70.0) | (63.9) |
| - Income taxes (2) | (3.4) | (8.6) | (6.2) | (13.7) |
| - +/- Change in working capital requirement (3) | 32.0 | (18.9) | (3.5) | (58.8) |
| **Recurring Free cash flow** | **61.7** | **(83.0)** | **76.9** | **(170.5)** |
| Non-recurring items (4) | - | - | - | (27.4) |
| **Free cash flow(5)** | **61.7** | **(83.0)** | **76.9** | **(197.9)** |
| Acquisition | (34.3) | - | (34.3) | - |
| Dividends | (22.5) | (25.5) | (22.5) | (25.5) |
| Issue costs amortization and currency variations | (0.2) | 0.9 | (8.5) | 0.6 |
| Change in IFRS 16 lease liability | 3.5 | 2.4 | 6.2 | (6.2) |
| **Change in net debt (6)** | **8.2** | **(105.1)** | **17.8** | **(228.9)** |

(1) Corresponds to financial income and expense immediately payable (i.e. excluding non-cash items)

(2) Corresponds to taxes immediately payable (i.e. excluding deferred taxes).

(3) Excludes change in accrued interests on loans and change in other financial debt, which together totaled €2.0 million in H1 2021 and €1.2 million H1 2022.

(4) The non-recurring items correspond to a one-off payment as part of a change in the VAT payment in France occurred in Q1 22.

(5) Before payment of dividends, capital increases and acquisitions.

(6) Excluding change in derivatives instruments.

**Net debt**

We define net debt as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of net debt to amounts included in the consolidated balance sheet as of the indicated dates.

| | As of | |
|---|---|---|
| *(in millions of euros)* | **December 31, 2021** | **June 30, 2022** |
| 2023 Senior Secured Notes | 250.0 | - |
| 2022 Senior Secured Notes | 300.0 | - |
| 2024 Senior Secured Notes | 300.0 | 300.0 |
| 2025 Senior Subordinated Notes | 119.6 | 119.6 |
| 2025 Senior Secured Notes | 700.0 | 700.0 |
| 2026 Senior Secured Notes | 750.0 | 750.0 |
| 2027 Senior Subordinated Notes | 434.4 | 434.4 |
| 2027 Senior Secured Notes | - | 350.0 |
| Issuance costs related to notes | (12.6) | (11.7) |
| Bank loans on bilateral credit facilities | 334.2 | 520.3 |
| Commercial papers | 94.0 | 88.5 |
| State guarantee loans | 237.4 | 213.5 |
| Accrued interest on debt securities and loans | 24.4 | 23.2 |
| Lease debt | 266.3 | 331.5 |
| IFRS 16 lease liabilities | 334.7 | 340.9 |
| Other financial debt | 4.3 | 4.6 |
| Bank overdrafts | 2.5 | 6.1 |
| **Loans and financial debt (gross debt)** | **4,139.2** | **4,170.8** |
| Cash | (367.6) | (170.4) |
| Marketable investment securities | (103.3) | (103.2) |
| **Cash and cash equivalents** | **(470.9)** | **(273.6)** |
| **Net debt** | **3,668.3** | **3,897.2** |

Net debt increased by €228.9 million to €3,897.2 million as of June 30, 2022 from €3,668.3 million as of December 31, 2021, primarily as a result of a negative free cash flow of €(197.9) million and the dividends payment of €25.5 million.

On January 31, 2022, the Group issued a Senior Secured Note for a notional amount of €350 million with a maturity date 2027, paying a coupon of 4.5%.

On February 10, 2022, the Group proceeded to the early redemption of the €300 million Senior secured Note due in 2022 and the €250 million Senior secured Note due in 2023 for an outstanding amount of €550 million.

As of June 30, 2022, our gross debt (excluding derivatives and including lease liabilities) amounted to €4,170.8 million, compared to €4,139.2 million as of December 31, 2021. During the first six months of 2022 the amount of bilateral loans, finance leases and commercial papers increased by €221.9 million.

As of June 30, 2022, we had €2,642.2 million of outstanding bond debt, after deduction of €11.7 million of issuance costs. Our bond debt of €2,654.0 million comprised €300.0 million of senior secured notes due in April 2024, €119.6 million of senior subordinated notes due in April 2025, €300.0 million of senior secured notes due in April 2026 and €191.1 million of senior subordinated notes due in April 2027, €700.0 million of senior secured notes due in January 2025, €450.0 million of senior secured notes due in July 2026, €243.3 million of senior subordinated notes due in July 2027 and €350.0 million of senior secured notes due in February 2027.

As of June 30, 2022, bilateral facilities from banks amounted to €520.3 million, finance leases to €331.5 million, commercial papers at Ramirent to €88.5 million, and the loans with a state guarantee to €213.5 million. In the six-month period ended June 30, 2022, new bilateral loans and finance leases were entered into for €248.7 million and €121.8 million respectively.

Cash and cash equivalents on the balance sheet amounted to €273.6 million as of June 30, 2022.

### Debt maturity profile

The table below provides the maturity profile of the outstanding indebtedness, as of June 30, 2022.

| *(in millions of euros; excluding IFRS 16)* | **Total** | **2022** | **2023** | **2024** | **2025** | **2026** | **2027** | **2028** | **2029 and later** |
|---|---|---|---|---|---|---|---|---|---|
| Bilateral loans .......................................... | 520.3 | 51.3 | 254.4 | 75.7 | 52.7 | 49.2 | 36.7 | 0.2 | 0.2 |
| Commercial papers ................................ | 88.5 | 88.5 | - | - | - | - | - | - | - |
| State guarantee loans [1] .......................... | 213.5 | 26.7 | 53.9 | 54.8 | 51.1 | 25.3 | 1.6 | - | - |
| Lease liabilities ....................................... | 331.5 | 55.8 | 96.7 | 65.9 | 49.9 | 39.2 | 16.5 | 6.7 | 0.7 |
| **Loans and financial debt owed to credit institutions.......................................** | **1,153.7** | **222.4** | **404.9** | **196.3** | **153.7** | **113.7** | **54.8** | **7.0** | **0.9** |
| Other financial debt................................. | 4.6 | 2.4 | 2.1 | - | - | - | - | - | - |
| 2017 senior secured notes due 2024 ........ | 300.0 | - | - | 300.0 | - | - | - | - | - |
| 2017 senior subordinated notes due 2025 | 119.2 | - | - | - | 119.2 | - | - | - | - |
| 2019 senior secured notes due 2026 ........ | 299.1 | - | - | - | - | 299.1 | - | - | - |
| 2019 senior subordinated notes due 2027 | 190.3 | - | - | - | - | - | 190.3 | - | - |
| 2019 senior secured notes due 2025 ........ | 698.2 | - | - | - | 698.2 | - | - | - | - |
| 2019 senior secured notes due 2026 ........ | 446.9 | - | - | - | - | 446.9 | - | - | - |
| 2019 senior subordinated notes due 2027 | 241.2 | - | - | - | - | - | 241.2 | - | - |
| 2022 senior secured notes due 2027 ........ | 347.2 | - | - | - | - | - | 347.2 | - | - |
| **Total debt [2] ............................................** | **3,800.5** | **224.8** | **407.1** | **496.3** | **971.2** | **859.7** | **833.6** | **7.0** | **0.9** |

(1) Include the French loan of €185.7 million with a last maturity in 2026, the Spanish loan of €15.9 million with a last maturity in 2026, the Italian loan of €9.6 million with a last maturity in 2027, the Portuguese loan of €1.7 with a last maturity in 2026 and the Swiss loan of CHF 0.5 million, with a last maturity in 2027.

(2) Total debt figures exclude accrued interests, bank overdrafts and lease liabilities under IFRS 16 and are presented net of issuance costs.

**Currency and interest rate derivatives**

We are exposed to market risks arising from fluctuations in interest rates and exchange rates in the ordinary course of our business. To manage these risks effectively, we enter into hedging transactions and use derivative financial instruments to mitigate the adverse effects of these risks. We do not enter into financial instruments for trading or speculative purposes.

The Group still owns a portfolio of derivative financial instruments hedging interest rate variations for a notional amount of €196.3 million at June 30, 2022 for a maximum term in July 2025. These derivatives are recognized in financial asset for an amount of €4.1 million at June 30, 2022. As of June 30, 2022, 89% of our financial debt has a fixed interest rate.

The majority of our revenue (65% in Q2 2022), expenses and obligations are denominated in euros. However, we are exposed to foreign exchange rate risk, primarily in respect of British pounds, Norwegian krone, Swedish krona, Czech koruna. Our foreign exchange rate derivative financial instruments as of June 30, 2022 covered current liabilities denominated in British pounds for GBP 49.2 million, in Norwegian krone for NOK 545.0 million, Swedish krona for SEK 170.0 million and Czech koruna for CZK 220.0 million

**Critical Accounting Policies and Estimates**

Critical accounting policies are described in the appendix within the notes to financial statements.

# LOXAM GROUP

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

# 30 June 2022

# CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2022

## Statement of financial position

| ASSETS (€'000) | Notes | 31.12.2021 | 30.06.2022 |
|---|---|---|---|
| Intangible assets and goodwill | 4 | 2,297,191 | 2,267,033 |
| Property, plant and equipment | 5 | 2,227,420 | 2,398,112 |
| Investments in associates | 6 | 9,452 | 9,452 |
| Financial assets | 7 | 18,771 | 17,698 |
| Financial derivatives | 13 | 1,175 | 4,837 |
| Deferred tax assets | 22 | 14,113 | 11,819 |
| **Non-current assets** | | **4,568,122** | **4,708,951** |
| Inventories | 8 | 54,058 | 61,491 |
| Trade and other receivables | 9 | 455,081 | 503,811 |
| Other current assets | 10 | 55,445 | 64,903 |
| Corporate income tax receivables | 10 | 12,192 | 8,735 |
| Cash and cash equivalents | 11 | 470,943 | 273,626 |
| **Current assets** | | **1,047,719** | **912,565** |
| **Total assets** | | **5,615,841** | **5,621,516** |

| LIABILITIES (€'000) | Notes | 31.12.2021 | 30.06.2022 |
|---|---|---|---|
| Share capital | 12 | 222,560 | 222,560 |
| Additional paid-in capital | | 1,882 | 1,882 |
| Consolidated reserves | | 401,721 | 454,564 |
| Net profit for the year | | 74,267 | 40,468 |
| **Shareholders' equity (Group share)** | | **700,429** | **719,473** |
| Non-controlling interests | | 5,206 | 5,556 |
| **Total equity** | | **705,636** | **725,030** |
| Employee benefits | 15 | 53,339 | 41,390 |
| Deferred tax liabilities | 22 | 200,227 | 198,297 |
| Borrowings and financial debt | 14 | 3,403,987 | 3,671,493 |
| Financial derivatives | 13 | 2,926 | 387 |
| **Non-current liabilities** | | **3,660,480** | **3,911,566** |
| Provisions | 16 | 10,243 | 8,551 |
| Borrowings and financial debt | 14 | 735,210 | 499,286 |
| Trade and other payables | 17 | 309,058 | 291,294 |
| Other liabilities | 17 | 187,680 | 176,667 |
| Corporate income tax liabilities | 17 | 7,535 | 9,121 |
| **Current liabilities** | | **1,249,726** | **984,920** |
| **Total shareholders' equity and liabilities** | | **5,615,841** | **5,621,516** |

## Consolidated income statement and statement of comprehensive income

| €'000 | Notes | 30.06.2021 | 30.06.2022 |
|---|---|---|---|
| **Revenue** | 18 | **1,044,398** | **1,168,171** |
| Other income | | 24,293 | 23,301 |
| **Operating income** | | **1,068,691** | **1,191,472** |
| Purchases consumed | | (105,259) | (117,872) |
| Personnel expenses | 19 | (292,478) | (313,165) |
| Other current expenses | | (297,512) | (348,151) |
| Taxes and duties | | (9,413) | (10,531) |
| Depreciation and amortization – Property, plant and equipment | | (235,468) | (251,537) |
| Depreciation and amortization – Intangibles assets | | (23,108) | (22,719) |
| **Profit from ordinary operations** | 18 | **105,452** | **127,497** |
| Other operating incomes | 20 | - | - |
| Other operating expenses | 20 | (1,566) | (80) |
| **Operating profit** | | **103,886** | **127,417** |
| Interest and financing-related expenses | | (76,219) | (74,756) |
| Other financial income and expenses | | 1,186 | 504 |
| **Financial income (expense)** | 21 | **(75,032)** | **(74,253)** |
| **Profit before tax** | | **28,854** | **53,165** |
| Share of result in associates and joint ventures | 6 | 197 | - |
| Income tax expense | 22 | (3,172) | (12,765) |
| **Net profit** | | **25,879** | **40,399** |
| Non-controlling interests | | 774 | (68) |
| **Net profit, Group share** | | **25,105** | **40,467** |

| | 30.06.2021 | 30.06.2022 |
|---|---|---|
| **Net profit** | **25,879** | **40,399** |
| Exchange gains or losses | 16,749 | (9,037) |
| Fair value of derivative instruments | 658 | 2,208 |
| Tax | - | - |
| ***Items recycled to profit or loss*** | ***17,407*** | ***(6,829)*** |
| Remeasurement of liabilities for defined benefit retirement plans | 4,832 | 14,352 |
| Tax | (1,036) | (3,058) |
| ***Items not recycled to profit or loss*** | ***3,796*** | ***11,294*** |
| **Other comprehensive income** | **21,203** | **4,465** |
| **Comprehensive income** | **47,081** | **44,865** |

| | | | |
|---|---|---|---|
| **EBITDA (a)** | **18** | **364,028** | **401,752** |

(a) EBITDA is not a measure of financial performance under IFRS. EBITDA is presented as additional information and is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

## Consolidated cash-flow statement

| €'000 | Notes | 30.06.2021 | 31.12.2021 | 30.06.2022 |
|---|---|---|---|---|
| **Net profit** | | **25,879** | **75,226** | **40,399** |
| Share of result in associates and joint ventures | 6 | (197) | (1,275) | - |
| Income tax expense (including deferred tax) | 22 | 3,172 | 18,773 | 12,765 |
| Net finance costs | 21 | 75,032 | 158,991 | 74,253 |
| Other operating income and expense | | 1,017 | 1,016 | - |
| Depreciation and provisions, net of reversals | | 257,095 | 519,954 | 273,469 |
| Capital gains on asset disposals | | (21,422) | (42,680) | (19,935) |
| **Cash flow from operations (before cost of financing and tax)** | | **340,576** | **730,006** | **380,952** |
| Income tax paid | | (6,232) | (15,751) | (13,667) |
| Financial interest paid | | (77,547) | (161,066) | (71,949) |
| Financial interest received | | 635 | 2,418 | 1,859 |
| Change in working capital requirements | | (3,466) | 50,872 | (86,209) |
| **Cash flow from operating activities** | **A** | **253,966** | **606,479** | **210,986** |
| Impact of changes in scope | | (30,375) | (38,528) | - |
| Acquisitions of fixed assets | | (200,785) | (556,688) | (446,313) |
| Disposals of fixed assets | | 30,450 | 61,492 | 28,378 |
| **Cash flow from investing activities** | **B** | **(200,711)** | **(533,724)** | **(417,934)** |
| Dividends paid | | (22,482) | (22,482) | (25,479) |
| Capital movements | | - | (12,383) | - |
| Proceeds from loans and borrowings | 14 | 104,837 | 298,981 | 787,049 |
| Repayment of loans and borrowings | 14 | (195,037) | (497,216) | (756,410) |
| **Cash flow from financing activities** | **C** | **(112,682)** | **(233,100)** | **5,160** |
| **Change in cash and cash equivalents** | **A+B+C** | **(59,427)** | **(160,345)** | **(201,788)** |
| Cash and cash equivalents at beginning of period | | 627,805 | 627,805 | 468,439 |
| Cash and cash equivalents at end of period | | 569,562 | 468,439 | 267,491 |
| Impact of exchange rate fluctuations | | (1,184) | (978) | (840) |
| **Change in cash and cash equivalents** | | **(59,427)** | **(160,345)** | **(201,788)** |

| | | | | |
|---|---|---|---|---|
| Other marketable securities | | 102,613 | 103,322 | 103,249 |
| Cash at bank and on hand | | 467,634 | 367,621 | 170,377 |
| Current bank borrowings | | (685) | (2,505) | (6,135) |
| **Cash and cash equivalents** | | **569,562** | **468,439** | **267,491** |

## Consolidated statement of changes in equity

| €'000 | Share capital | Additional paid-in capital | Other consolidated reserves | Reserves to be recycled (OCI) | Shareholders' equity (Group share) | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| **At 31 December 2020** | **224,818** | **1,882** | **441,079** | **(32,558)** | **635,221** | **5,544** | **640,765** |
| Net profit for the period……. | | | 74,267 | | 74,267 | 960 | 75,226 |
| Employee benefits (a)………. | | | | 4,144 | 4,144 | (5) | 4,140 |
| Fair value of derivative instruments……………………… | | | | 2,262 | 2,262 | 3 | 2,264 |
| Exchange gains or losses…… | | | | 26,403 | 26,403 | 268 | 26,670 |
| **Comprehensive income** | | | **74,267** | **32,809** | **107,076** | **1,225** | **108,301** |
| Capital movements | (2,258) | | (10,125) | | (12,383) | | (12,383) |
| Dividends………………………….. | | | (22,482) | | (22,482) | | (22,482) |
| Changes in scope……………….. | | | (5,321) | | (5,321) | (1,564) | (6,884) |
| Adjustment IAS 38 - Configuration of cloud computing costs (a)…………… | | | (1,703) | | (1,703) | | (1,703) |
| Other movements……………… | | | 22 | | 22 | 1 | 22 |
| **At 31 December 2021** | **222,560** | **1,882** | **475,737** | **251** | **700,429** | **5,206** | **705,636** |
| Net profit for the period…….. | | | 40,467 | | 40,467 | (68) | 40,399 |
| Employee benefits | | | | 11,294 | 11,294 | - | 11,294 |
| Fair value of derivative instruments……………………… | | | | 2,200 | 2,200 | 8 | 2,208 |
| Exchange gains or losses ……. | | | | (9,446) | (9,446) | 409 | (9,037) |
| **Comprehensive income** | | | **40,467** | **4,049** | **44,516** | **349** | **44,865** |
| Capital movements…………… | | | | | | | |
| Dividends………………………….. | | | (25,479) | | (25,479) | | (25,479) |
| Changes in scope……………….. | | | | | | | |
| Other movements……………… | | | 7 | | 7 | 1 | 8 |
| **At 30 June 2022** | **222,560** | **1,882** | **490,732** | **4,300** | **719,473** | **5,556** | **725,030** |

(a) For year 2021, the opening adjustments are linked to:

- IFRIC decision related to configuration costs for SaaS contracts €(1.7) million (net of taxes)
- The change in accounting policy related to the interpretation of IFRS IC for post-employment benefit plans €2.3 million (net of taxes)

# Notes to the financial statements

# Note 1 – Presentation and highlights

## 1.1. Presentation of the Group

Loxam is a French simplified joint stock company ("Société par Actions Simplifiée") with a capital of €222,559,930 as of June 30, 2022, governed by all of the legislation and regulations for commercial companies in France, and particularly the French commercial code ("Code de commerce"). The Company's registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €2,185 million in 2021 and 11,000 employees. The Group is the 4th largest player in the world with a network of approximately 1,060 branches over 30 countries on four continents.

## 1.2. Highlights

**Situation in Ukraine and Russia**

The Group has no activity in Ukraine; it operates in Russia through Fortrent, a 50% owned joint venture with Cramo. The Group's stake in this entity is accounted for under the equity method.

The Group monitors closely the evolution of the situation in Ukraine and Russia and follows the potential impacts of international sanctions. Considering the level of uncertainty on its business operations in Russia and the high volatility of the rouble, the Group has decided for the period ended June 30, 2022:

- to reverse the net positive result of Fortrent (gain of €0.9 million for the six months period);
- to neutralize the effect of the increase of rouble as it does not reflect normal currency market conditions (increase of €5.4 million of the value of the investment in associates);
- to depreciate the receivable with Fortrent, considering a risk of non-collectability (balance of €0.8 million at end of June 30, 2022).

**Highlights of the period ended June 30, 2022**

On January 31, 2022, the Group issued a Senior secured bond for a notional amount of €350 million with a maturity date 2027, paying a coupon of 4.5%.

On February 10, 2022, the Group proceeded to the early redemption of two bonds for an outstanding amount of €550 million:

- the Senior secured bond of €300 million with a maturity in 2022 (fixed rate of 3.5%),
- the Senior secured bond of €250 million with a maturity in 2023 (fixed rate of 3.5%).

On March 17, 2022, RentSafe Sverige AB, a fully owned subsidiary of Ramirent Group, and ATA Hill & Smith AB have entered into an agreement to acquire ATA's rental and contracting business through the acquisition of assets and the transfer of staff. The acquisition, completed on April 29, 2022, will reinforce Ramirent's expertise in road traffic safety in Sweden.

On May 31, 2022, Ramirent Safe Access AB, a fully owned subsidiary of Ramirent Group which offers services and solutions in scaffolding, weather protection and fall protection, acquired the assets of Monteringsställningar, based in Sala in Sweden.

On May 20, 2022, Loxam's IT Department detected a cyber-attack. All of the Group's cybersecurity procedures were immediately activated in order to stop the spread of the attack and to protect the company and its affected parties. Despite the temporary shutdown or slowdown of certain functions, commercial activity was maintained. From May 25, 2022, the company was able to resume its normal activity. Following the data theft suffered by Loxam, the incident was declared to the authorities as well as the Group's insurers and other stakeholders (customers, suppliers, and staff).

**Post closing events**

On July 11, 2022, Hune Rental acquired Talleres Arteixo S.L.U. (Arteixo Maquinaria) which operates 2 branches in Arteixo and Santiago de Compostela, in the north of Spain.

On July 29, 2022, Loxam acquired Sofranel SAS and Société Cominoise de Location SAS (SCL), which operate 2 branches in Northern France.

**Highlights of the period ended December 31, 2021**

On January 5, 2021, Stavdal Sweden merged with Ramirent Sweden.

On June 1, 2021, Loxam Denmark acquired JM Trykluft A/S, a rental Danish company which operates 9 branches.

On June 10, 2021, Ramirent Sweden acquired Maskinslussen AB, a rental company which has 3 branches in the western part of Sweden.

On July 29, 2021, Loxam entered into a new €345 million five-year senior secured revolving credit facility that replaces Loxam's current €75 million revolving credit facility, maturing in February 2022. Loxam will have the opportunity to drawn this RCF both in EUR, USD and GBP.

On October 7, 2021, the Company's shareholders approved a share buyback offer for a maximum of 1,000,000 shares (i.e. 4.5% of the capital). On November 15, 2021, the share buyback program has been achieved with the buy-back of 325 822 shares for an amount of €12.4 million.

On November 8, 2021, Loxam SAS acquired an additional 39.8 % stake of the capital of Degraus from the minority shareholders MM. Costa, bringing the total stake of Loxam SAS to 89.9%.

On November 15, 2021, the Company redeemed €120 million in aggregate principal amount out of the €239, 6 million of Senior Subordinated Notes due 2025 (6 % rate).

## Note 2 – Accounting principles

### 2.1. Basis of preparation and presentation

The interim consolidated financial statements (the "interim financial statements") for the six-month period ended June 30, 2022 include Loxam SAS and its subsidiaries (together "the Group" or "Loxam Group"), including the Group's share in equity affiliates and joint ventures.

These interim financial statements have been prepared by the Group in a voluntary and non-mandatory basis. They have been prepared in accordance with IAS 34 "Interim financial reporting" and should be read in addition to the latest annual consolidated financial statements of the Group for financial year 2021 (“the latest annual financial statements”). They do not include all the mandatory information for a complete financial report according to IFRS. However, they include a selection of notes explaining significant events and major operations to understand the change in statement of financial position and the Group’s performance since the latest annual financial statements.

The Group’s consolidated financial statements are prepared in euros, which is the parent company’s functional currency. They are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes. All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

### 2.2. Consolidation principle

A subsidiary is an entity controlled by Loxam SAS. An entity’s control is based on three criteria:

- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity’s variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.
The consolidated financial statements include all of the subsidiary’s assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests. Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity over which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate’s assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.

A joint venture or joint activity is the result of a contractual arrangement whereby two or more parties agree to carry out an economic activity under joint control. For joint activities, which give each of the co-participants direct rights to assets and obligations for liabilities, assets and liabilities, expenses and income are recognised based on the interests in the joint activity. Joint ventures that confer interests in net assets are accounted for using the equity method.

### 2.3. Comparability of the financial statements

The Group’s consolidated financial statements for the six-month period ended June 30, 2022 include six months of activity of JM Trykluft and Maskinslussen, acquired on June 1, 2021 and June 10, 2021 respectively. Both entities are consolidated as from June 1, 2021. The price allocation (“PPA”) was finalised at December 31, 2021.

### 2.4. Accounting judgments and estimates

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances.

The Group's estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill);
- Purchase price allocation related to the acquisitions;
- Measurement of obligations relating to defined benefit plans;
- Measurement of financial instruments at fair value;
- Qualification of lease contracts and enforceable period of these contracts.

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

### 2.5. Business combinations

a) Business combinations

In accordance with IFRS 3R, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.

Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.

Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits.

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits.

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option's exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations.

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, unchanged.

### 2.6. Foreign currency translation methods

a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date.

Profit and loss data denominated in foreign currencies are converted using the average rate for the period.

The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.

Exchange rates applied at June 30, 2022 (euro vs. currency):

| 1 EUR = | | Closing period rate | Average rate | Opening period rate |
|---|---|---|---|---|
| AED | Arabic Emirates dirham | 3,8487 | 4,0319 | 4,1418 |
| BHD | Bahraini dinar | 0,3952 | 0,4139 | 0,4252 |
| BRL | Brazilian real | 5,4725 | 5,6074 | 6,4165 |
| CHF | Swiss franc | 0,9983 | 1,0328 | 1,0358 |
| COP | Colombian peso | 4 322,00 | 4 301,85 | 4 586,44 |
| CZK | Czech koruna | 24,7440 | 24,6468 | 24,7820 |
| DKK | Danish krone | 7,4399 | 7,4400 | 7,4377 |
| GBP | Pound sterling | 0,8641 | 0,8416 | 0,8363 |
| MAD | Moroccan dirham | 10,6279 | 10,6077 | 10,4585 |

| | | | | |
|---|---|---|---|---|
| NOK | Norwegian krone | 10,3361 | 9,9745 | 10,0099 |
| OMR | Omani rial | 0,4035 | 0,4228 | 0,4345 |
| PLN | Polish zloty | 4,6739 | 4,6294 | 4,5712 |
| QAR | Qatari riyal | 3,8492 | 3,9987 | 4,1439 |
| SAR | Saudi riyal | 3,9323 | 4,1097 | 4,2356 |
| SEK | Swedish krona | 10,6829 | 10,4694 | 10,2725 |

### 2.7. Breakdown of current / non-current assets and liabilities

Under IAS 1, assets and liabilities are classified as "current" or "non-current".
Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as "non-current";
- Assets and liabilities included in working capital requirements in connection with the business' normal operating cycle are classified as "current";
- All deferred tax assets and liabilities are presented as "non-current";
- All provisions are classified as "current";
- Financial liabilities are classified as "current" or "non-current", depending on whether they are due within or later than one year after the reporting date.

### 2.8. Fair value of financial assets and liabilities

Financial assets and liabilities - including derivatives - measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 2.16 (Cash and cash equivalents), and Note 2.17 (Derivative financial instruments).

### 2.9. Intangible assets and goodwill

a) Goodwill

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the recognition of goodwill, see description in Note 2.5.

b) Trademarks and customer relationships

The application of IFRS 3R may lead to the allocation of an acquisition price to identified intangible assets such as trademarks and client relationships. Trademarks are depreciated over 5 to 12 years and customer relationships over 8 to 18 years.

c) Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.
The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.
These other intangible assets are primarily software products, amortized over 1 to 5 years.

## 2.10. Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not revalued.
The cost includes the expenditure directly attributable to the asset's acquisition.
Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Land is not depreciated.

| | |
|---|---|
| - Buildings | 10 to 50 years |
| - Building fixtures and fittings | 5 to 20 years |
| - Tools | 3 to 5 years |
| - Fleet equipment | 3 to 15 years |
| - Other property, plant and equipment | 2 to 5 years |

Property, plant and equipment are depreciated from the moment they are brought into service.
A residual value is applied to some categories of equipment, in order to take into account the resale value of this equipment at the end of its life.

## 2.11. Leases

Leases contracts are governed by IFRS 16 since January 1, 2019. The standard has removed the distinction previously made between simple leases and finance leases for the lessee; the lessee recognises a right-of-use asset and a financial debt representing the rental obligation.
The Group presents the right-of-use within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership (see Note 5) and the lease liabilities within "Borrowings and financial debts" in the statement of financial position (see details in Note 14).

Following the Covid-19 pandemic, the Group has obtained rental reductions or deferrals agreed with lessors. Some leases were modified with an impact on the lease duration (extension of several months at the end of the lease).

Under IFRS 16, a lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The modification of the lease requires the lessee to make a corresponding adjustment to the right-of-use asset as well as the remeasurement of the lease liability.
The Group has performed these adjustments accordingly. The initial incremental borrowing rates were kept unchanged as the extension of the leases duration was mostly for 6-month periods.

Following the IFRS Interpretations Committee's decision related to the enforceable period of leases, it was specified that it is not possible to use only the legal approach to determine the enforceable period of a contract, if the duration cannot be determined definitively at the origin of the contract. The

Committee considers that a lease contract remains enforceable as long as the lessee or the lessor would have to bear a loss or a more than insignificant penalty in case of termination of the contract. To determine the enforceable period of a lease, all economic aspects of the lease must be taken into account and not just contractual termination indemnities.

The Group has applied the decisions taken by the IFRS IC. In order to determine the reasonably certain duration to be applied to leases that are concerned by the IFRS IC decision, the Group has chosen a period of three years from the anniversary date of the contract as an additional lease period (where there is reasonable assurance that the lease will continue). Where appropriate, the duration of these leases may be reassessed in order to take into account the Group's strategic choices.

### 2.12. Impairment of intangible assets and property, plant and equipment

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset's recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.

The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan (five years) drawn up by top management,
- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,
- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the development potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset of the cash generating unit, an impairment is recognised in profit or loss.

Impairments recorded for goodwill are irreversible.

The Group also performs impairment tests for investments in joint ventures and associates by determining their fair value using the same discounted cash flow (DCF) method and comparing it with their recoverable amount.

For the six-month period ended June 30, 2022, the Group has not identified any indication of impairment for intangible and tangible assets and will continue to review the need for impairment test at the end of each reporting period. The impairment test will be carried out only if there are such indications.

### 2.13. Financial assets

Financial assets include:

- Securities of non-consolidated companies,

- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognised in accordance with IAS 32 and IFRS 9.
Financial assets are initially recognised at their fair value.
Financial assets maturing in under one year are classified as current financial assets.

## 2.14. Inventories

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.
An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

## 2.15. Trade receivables and other current assets

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.

The Group is using an expected credit loss impairment model following the simplified method allowed by the IFRS 9 standard (use of a provision matrix). At June 30, 2022, the Group has assessed the expected credit loss taking into account reasonable and supportable information at the closing date.

## 2.16. Cash management assets and Cash and cash equivalents

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.
Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- The capital is guaranteed even in the event of early withdrawal,
- No penalties are due in the form of payments to the financial institution managing the investment, or non-payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.
Purchases and sales of cash management financial assets are recognised on the transaction date.

Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

### 2.17. Derivative financial instruments – relating to the interest rate risk

The Group holds interest rate swaps to reduce its net interest rate risk exposure.
These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 2.8.

Changes in the fair value of financial instruments that do not qualify for hedge accounting are recognised in the income statement. Financial instruments documented in a hedging relationship are recognised in other comprehensive income (see Note 13).

### 2.18. Derivative financial instruments – relating to the foreign exchange risk

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure, mainly on British pound, Norwegian krone and Swedish krona since the acquisition of Ramirent.

The Group primarily uses forward currency sales options. As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

### 2.19. Employee benefits

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.
In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

b) Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).
To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (informed by staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.
An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.
The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.
Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.
These benefits primarily concern jubilee awards. Remeasurements of the obligation are recognised in profit or loss.

### 2.20. Provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.
These provisions are estimated taking into account the most probable assumptions on the reporting date.

### 2.21. Borrowings and financial debt

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortized cost using with the effective interest rate method.
The Loxam Group regularly issues loans on the bond market in order to finance its acquisitions. As part of its policy aimed at renewing its debt, the Group's Finance Division weighs up the renewal of tranches reaching maturity at least two years before the redemption term.
Since 2016, the effective interest rate on bond loans has been calculated over the term of the loan less two years.
Since January 1, 2019, borrowings and financial debt include lease liabilities.

### 2.22. Trade payables and related

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

## 2.23. Tax

Income tax includes both current and deferred tax.

Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realized or the liabilities settled, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the reporting date.

In the event of deductible temporary differences and tax losses, deferred tax assets are recognised for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.

Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.

Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

The Group applies IFRIC 23 interpretation relating to measurement and recognition when there is uncertainty over income tax treatments.

## 2.24. Revenue

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labor charges invoiced for repairs) and sales of goods.

The revenue recognition method is described hereby:

*Rental revenue*

Revenue generated from equipment rental is recognised straight line over the rental period. Contract durations can vary from one day to a few months but are mostly short-term. The contract ends upon the equipment return.

*Additional services to the equipment rental and other services*

Additional services mainly concern transportation, damage waivers, labor charges invoiced for repairs. Other services comprise training and repair recharges (including spare parts). These services are recognised at the end of the service completion. Revenue linked to fuel consumption is recognised upon the equipment return.

The Group is also offering a wide range of different kind of services thanks to the acquisition of Ramirent group: worksite planning, logistics, on-site support, assembly and disassembly services. The revenue is recognised in accordance with IFRS 15 «Revenue from contracts with customers», when the services are rendered to the customer over time or when the customer controls the work in progress.

*Retail revenue and sale of equipment*

Revenue from retail activities and sale of equipment is recognised upon delivery to the customer.

### 2.25. Other income

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

### 2.26. Other current expenses

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals that are not in the scope of the new IFRS 16 standard, and general administrative costs), in addition to losses on receivables net of changes in provisions.

### 2.27. Other operating income and expenses

Other operating income and expenses concern items that involve a very limited number of occurrences, that are unusual, abnormal and uncommon and that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

### 2.28. Financial income and expenses

Financial income primarily concerns interest on investments.
Financial expenses primarily concern interest on bonds, bilateral loans and leasing, amortized cost related to bonds, as well as changes to the fair value of financial instruments. It also includes the interest cost related to the lease liability since the first time application IFRS 16 as of January 1, 2019.
Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

## Note 3 – Scope of consolidation

| Legal entities | SIREN number (France) or country | % of control | % of interest | Consolidation method |
|---|---|---|---|---|
| **SAS LOXAM** | **450776968** | **100%** | **100%** | **Parents** |
| SAS LOXAM MODULE | 433911948 | 100% | 100% | Full |
| SAS LOXAM POWER | 366500585 | 100% | 100% | Full |
| SAS LOXAMED (a) | 887672137 | 100% | 51% | Full |
| | | | | |
| LOXAM GMBH | Germany | 100% | 100% | Full |
| LOXAM S.A. | Switzerland | 100% | 100% | Full |
| LOXAM S.A. | Belgium | 100% | 100% | Full |
| LOXAM RENTAL SARL | Luxembourg | 100% | 100% | Full |
| LOXAM LTD | Ireland | 100% | 100% | Full |
| LOXAM BV | Netherlands | 100% | 100% | Full |
| ATLAS RENTAL | Morocco | 100% | 51% | Full |
| LOXAM HOLDING A/S | Denmark | 100% | 100% | Full |
| LOXAM A/S | Denmark | 100% | 100% | Full |
| JM TRYKLUFT A/S | Denmark | 100% | 100% | Full |
| DEGRAUS | Brazil | 100% | 89.9% | Full |
| | | | | |
| SCI AVENUE ARISTIDE BRIAND | 384564472 | 100% | 100% | Full |
| SCI EST POSE | 340583160 | 100% | 100% | Full |
| SAS LOXAM GRANDE ARMEE | 572045953 | 100% | 100% | Full |
| SCI TARTIFUME | 328948013 | 100% | 100% | Full |
| SCI THABOR | 332962125 | 100% | 100% | Full |
| LOXAMAM | 799097944 | 100% | 100% | Full |
| | | | | |
| HUNE RENTAL S.L. | Spain | 100% | 100% | Full |
| HUNE ALUGUER LDA | Portugal | 100% | 100% | Full |
| GRUAS Y EQUIPOS HUNE | Colombia | 100% | 100% | Full |
| HUNE SICO LLC | Saudi Arabia | 100% | 49% | Full |
| | | | | |
| LAVENDON HOLDINGS LTD | United Kingdom | 100% | 100% | Full |
| ZOOOM HOLDINGS LTD | United Kingdom | 100% | 100% | Full |
| ACCESS SOLUTIONS LTD | United Kingdom | 100% | 100% | Full |
| LAVENDON ACCESS SERVICES LTD | United Kingdom | 100% | 100% | Full |
| NATIONWIDE PLATFORMS LTD | United Kingdom | 100% | 100% | Full |
| UK PLATFORMS LTD | United Kingdom | 100% | 100% | Full |
| BLUESKY TOPCO LTD | United Kingdom | 100% | 100% | Full |
| BLUESKY SOLUTIONS LTD | United Kingdom | 100% | 100% | Full |
| RAPID ACCESS BV | Netherland | 100% | 100% | Full |
| RAPID ACCESS LLC (b) | United Arab Emirates | 100% | 49% | Full |
| RAPID ACCESS Holdings WLL | Bahrain | 100% | 100% | Full |
| RAPID Saudi Arabia Ltd | Saudi Arabia | 100% | 100% | Full |
| RAPID ACCESS LLC (c) | Oman | 100% | 70% | Full |
| RAPID ACCESS MIDDLE EAST LLC | United Arab Emirates | 100% | 100% | Full |
| RAPID ACCESS TRADING WLL (d) | Bahrain | 100% | 49% | Full |
| LOXAM ACCESS SRL | Italia | 100% | 80% | Full |
| SWAN | Ireland | 100% | 100% | Full |
| LIR HOLDINGS LTD | Ireland | 100% | 100% | Full |

| | | | | |
|---|---|---|---|---|
| RAMIRENT OY | Finland | 100% | 100% | Full |
| RAMIRENT INTERNAL SERVICES AB | Sweden | 100% | 100% | Full |
| SAFETY SOLUTIONS JONSEREDS AB | Sweden | 100% | 100% | Full |
| RAMIRENT AB | Sweden | 100% | 100% | Full |
| RAMIRENT SAFE ACCESS AB | Sweden | 100% | 100% | Full |
| RENTSAFE SVERIGE AB | Sweden | 100% | 100% | Full |
| MASKINSLUSSEN AB | Sweden | 100% | 100% | Full |
| RAMIRENT FINLAND OY | Finland | 100% | 100% | Full |
| FORTRENT OY | Finland | 50% | 50% | Equity |
| FORTRENT LLC | Russia | 50% | 50% | Equity |
| RAMIRENT AS | Norway | 100% | 100% | Full |
| RAMIRENT BALTIC AS | Estonia | 100% | 100% | Full |
| RAMIRENT MODULAR FACTORY AS | Estonia | 100% | 100% | Full |
| RAMIRENT AS VILNIAUS FILIALAS | Lithuania | 100% | 100% | Full |
| RAMIRENT AS RIGAS FILIALE | Latvia | 100% | 100% | Full |
| RAMIRENT SHARED SERVICES AS | Estonia | 100% | 100% | Full |
| RAMIRENT S.A. | Poland | 100% | 100% | Full |
| RAMIRENT S.R.O. | Czech Republic | 100% | 100% | Full |
| RAMIRENT SPOL S.R.O. | Slovakia | 100% | 100% | Full |
| STAVDAL AS | Norway | 100% | 100% | Full |

(a) Loxam SAS has a 51% interest in the shares of Loxamed SAS, company created in July 2020. Loxamed SAS is treated as a wholly owned subsidiary for the group’s accounting purposes.

(b) Rapid Access BV has a 49% interest in the shares of Rapid Access LLC (United Arab Emirates). The Company as a right to give directions with respect to the operating and financial policies of Rapid Access LLC (UAE) and thus is considered to have control. Rapid Access LLC (UAE) is treated as a wholly owned subsidiary for the group’s accounting purposes.

(c) Rapid Access Holding WLL has a 70% interest in the shares of Rapid Access LLC (Oman). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access LLC (Oman) and thus is considered to have control. Rapid Access LLC (Oman) is treated as a wholly owned subsidiary for the group’s accounting purposes.

(d) Rapid Access Middle East LLC (UAE) has a 49% interest in the shares of Rapid Access Trading WLL (Bahrain). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access Trading WLL (Bahrain) and thus is considered to have control. Rapid Access Trading WLL (Bahrain) is treated as a wholly owned subsidiary for the group’s accounting purposes.

## Note 4 – Intangible assets and goodwill

### Changes in intangible assets and goodwill at June 30, 2022

| €'000 | Intangible assets | Goodwill | Total |
|---|---|---|---|
| **Net book value at beginning of year** | **448,948** | **1,848,244** | **2,297,191** |
| Increase | 1,432 | - | 1,432 |
| Amortization and depreciation of the period | (22,718) | - | (22,718) |
| Decrease / disposals | (1) | - | (1) |
| Reclassification | 364 | - | 364 |
| Exchange gains or losses (a) | (1,544) | (7,691) | (9,235) |
| **Net book value at end of the period** | **426,481** | **1,840,552** | **2,267,033** |

### Changes in intangible assets and goodwill at December 31, 2021

| €'000 | Intangible assets | Goodwill | Total |
|---|---|---|---|
| **Net book value at beginning of year** | **480,637** | **1,826,860** | **2,307,498** |
| Changes in scope | 9,793 | 6,514 | 16,307 |
| Increase | 4,204 | - | 4,204 |
| Amortization and depreciation of the period | (47,508) | - | (47,508) |
| Decrease / disposals | (23) | - | (23) |
| Reclassification | (1,368) | - | (1,368) |
| Exchange gains or losses (a) | 3,213 | 14,869 | 18,082 |
| **Net book value at end of the period** | **448,948** | **1,848,244** | **2,297,191** |

(a) Exchange variations mainly concern the Lavendon group.

**Effect of change in scope on the goodwill:**

| €'000 | Total |
|---|---|
| JM Trykluft | 1,709 |
| Maskinslussen | 4,805 |
| **Year 2021** | **6,514** |

**The goodwill arising from the acquisitions of JM Trykluft and Maskinslussen has been calculated as following:**

| €'000 | JM Trykluft | Maskinslussen |
|---|---|---|
| Intangible assets (including trademarks and customer relationships) | 6,698 | 3,095 |
| Tangible assets | 14,942 | 5,626 |
| Other non current assets | 247 | 80 |
| Current assets | 7,571 | 2,574 |
| Non current liabilities | (1,487) | (2,324) |
| Current liabilities | (2,620) | (2,199) |
| **Fair value of net assets** | **25,351** | **6,852** |
| Non controlling interests | - | - |
| **Share of net identifiable assets** | **25,351** | **6,852** |

| €'000 | JM Trykluft | Maskinslussen |
|---|---|---|
| Consideration transferred | 27,060 | 11,657 |
| Net identifiable assets | (25,351) | (6,852) |
| **Goodwill** | **1,709** | **4,805** |

**Trademarks and customer relationships at June 30, 2022**

The purchase price for the following acquisitions was allocated to intangible assets and valued as follows at June 30, 2022:

| €'000 | Trademarks | Customer Relationships | Total |
|---|---|---|---|
| Lavendon Group | 8,186 | 33,915 | 42,101 |
| Hune Group | - | 2,103 | 2,103 |
| Loxam Access SRL | - | 693 | 693 |
| Ramirent Group | 88,926 | 275,874 | 364,800 |
| JMT | 501 | 5,400 | 5,900 |
| Maskinslussen | 234 | 2,343 | 2,577 |
| **Net value at end of the period** | **97,847** | **320,328** | **418,175** |

## Note 5 – Property, plant and equipment

**Change in property, plant and equipment at June 30, 2022**

At June 30, 2022, the gross book value of the Group's fleet amounts to € 4,848,577 k.

| €'000 | Rental equipment | Other (a) | Total |
|---|---|---|---|
| **Net value at beginning of year** | **1,753,331** | **474,089** | **2,227,420** |
| Increase | 363,922 | 82,011 | 445,933 |
| Amortization and depreciation of the year | (182,048) | (69,488) | (251,536) |
| Decrease / disposals | (6,801) | (1,961) | (8,762) |
| Reclassification | (830) | (659) | (1,489) |
| Exchange gains or losses | (11,641) | (1,813) | (13,454) |
| **Net value at end of the period (b)** | **1,915,933** | **482,179** | **2,398,112** |

(a) Since the application of IFRS 16, the Group presents the "right-of-use" assets within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership. At June 30, 2022, the breakdown of the right-of-use by assets' category is the following:

| €'000 | Real estate | Heavy vehicles | Light vehicles | Total |
|---|---|---|---|---|
| Net value at beginning of the period | 252,777 | 47,031 | 22,742 | **322,550** |
| Net value at end of the period | 251,836 | 52,172 | 24,547 | **328,555** |

(b) Property acquired under finance leases are historically included in the "Rental Equipment" column and amount to €450,599k of net book value at end of the period.

**Change in property, plant and equipment at December 31, 2021**

At December 31, 2021, the gross book value of the Group's fleet amounts to € 4,596,298k.

| €'000 | Rental equipment | Other (a) | Total |
|---|---|---|---|
| **Net value at beginning of year** | **1,670,523** | **455,959** | **2,126,483** |
| Changes in scope | 19,410 | 4,340 | 23,750 |
| Increase | 402,093 | 155,924 | 558,017 |
| Amortization and depreciation of the year | (340,915) | (135,891) | (476,806) |
| Decrease / disposals | (15,555) | (6,593) | (22,148) |
| Reclassification | 369 | (2,438) | (2,069) |
| Exchange gains or losses | 17,405 | 2,788 | 20,193 |
| **Net value at end of the period** | **1,753,331** | **474,089** | **2,227,420** |

(a) Since the application of IFRS 16, the Group presents the "right-of-use" assets within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership. At December 31, 2021, the breakdown of the right-of-use by assets' category is the following:

| €'000 | Real estate | Heavy vehicles | Light vehicles | Total |
|---|---|---|---|---|
| Net value at beginning of the period | 251,139 | 33,431 | 24,512 | **309,082** |
| Net value at end of the period | 252,777 | 47,031 | 22,742 | **322,550** |

## Note 6 – Investments in associates

Investments in associates relate to Fortrent Oy in Finland (with a subsidiary operating in Russia, Fortrent LLC). Considering the level of uncertainty on its business operations in Russia and the high volatility of the rouble, the Group has decided for the period ended June 30, 2022:

- to reverse the net positive result of Fortrent (gain of €0.9 million for the six months period);
- to neutralize the effect of the increase of rouble as it does not reflect normal currency market conditions (increase of €5.4 million of the value of the investment in associates).

As a consequence, the value of the investment at end of June 30, 2022 remains unchanged compared to the value at end of December 31, 2021.

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| **Value at beginning of the period** | **7,536** | **9,452** |
| Group share in earnings for the year | 1,275 | - |
| Exchange gains or losses | 641 | - |
| **Value at end of the period** | **9,452** | **9,452** |

# Note 7 – Financial assets

### Change of Financial assets at June 30, 2022

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

| €'000 | Deposits and guarantees | Loans and other non-current financial assets | Total |
|---|---|---|---|
| **Net value at beginning of period** | **13,079** | **5,692** | **18,771** |
| Increase | 496 | 46 | 541 |
| Decrease | (384) | (618) | (1,002) |
| Other movements (a) | (46) | (776) | (822) |
| Exchange gains or losses | 324 | (114) | 209 |
| **Net value at end of the period** | **13,468** | **4,230** | **17,698** |

(a) Includes the full depreciation of the receivable balance with Fortrent.

### Change of Financial assets at December 31, 2021

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

| €'000 | Deposits and guarantees | Loans and other non-current financial assets | Total |
|---|---|---|---|
| **Net value at beginning of period** | **13,053** | **7,432** | **20,485** |
| Changes in scope | 247 | 80 | 327 |
| Increase | 561 | 96 | 656 |
| Decrease | (835) | (1,919) | (2,754) |
| Other movements | 62 | 70 | 131 |
| Exchange gains or losses | (9) | (66) | (75) |
| **Net value at end of the period** | **13,079** | **5,692** | **18,771** |

# Note 8 – Inventories

| €'000 - Net value | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Parts and consumables | 18,879 | 21,783 |
| Trade | 35,179 | 39,708 |
| **Total** | **54,058** | **61,491** |

## Note 9 – Trade and other receivables

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Gross value | 547,675 | 598,407 |
| Impairment | (92,594) | (94,596) |
| **Total trade and other receivables - net** | **455,081** | **503,811** |

## Note 10 – Income tax receivables and other current assets

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Income tax receivables | 12,192 | 8,735 |
| Prepaid expenses | 24,395 | 30,666 |
| Other receivables | 31,050 | 34,237 |
| Other current assets | 55,445 | 64,903 |
| **Total income tax receivables and other current assets** | **67,637** | **73,637** |

## Note 11 – Cash management assets, cash and cash equivalents

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Other marketable securities | 103,322 | 103,249 |
| Cash | 367,621 | 170,377 |
| **Total** | **470,943** | **273,626** |

Marketable securities comprise cash investment funds (SICAV) as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (see Note 2.16).

## Note 12 – Shareholders' equity

The share capital amounts to €222,559,930 split into 22,255,993 shares with a par value of €10 at June 30, 2022. It is fully paid up.

## Note 13 – Financial risk management - Financial instruments

**Financial instruments relating to interest rate risk:**

As indicated in Note 2.17, the interest rate swaps entered into by the Group are classified as derivative financial instruments.
At June 30, 2022, these agreements relate to a notional amount of €196,255k for a maximum term of July 2025.

At June 30, 2022, these derivative instruments are recognized in financial asset for an amount of €4,149k compared to €256k at December 31, 2021. Fair value adjustments are accounted in financial income for an amount of €1,780k and in OCI reserves for €2,208k at June 30, 2022.
The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 2.8.

**Financial instruments relating to foreign exchange risk:**

As indicated in Note 2.18, foreign currency put options entered into by the Group are classified as derivative financial instruments.
At June 30, 2022, Loxam SAS hold forward contracts on the British pound for GBP 49,186k. Ramirent hold forward contracts on the Norwegian krone for NOK 545,000k, Swedish krone for SEK 170,000k and Czech Koruna for CZK 220,000k at June 30, 2022.
These financial instruments are recognised in financial asset for €301k at June 30, 2022, compared to a financial liability for €2,007k at December 31, 2021. Fair value adjustments are recorded in financial income for an amount of €2,308k at June 30, 2022.
The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 2.8.

**Change in the valuation of financial instruments at June 30, 2022**

| €'000 | Interest Rate swaps | Exchange rate hedging | Financial instruments |
|---|---|---|---|
| Fair value level | Level 2 | Level 2 | |
| **Value at beginning of year** | **(256)** | **2,007** | **1,751** |
| Value adjustment in OCI | (2,208) | - | (2,208) |
| Value adjustment in P&L | (1,780) | (2,308) | (4,087) |
| Exchange gains or losses | 94 | - | 94 |
| **Value at end of the period** | **(4,149)** | **(301)** | **(4,450)** |
| | | | |
| **Derivatives instruments included in the assets** | | | **(4,837)** |
| **Derivatives instruments included in the liabilities** | | | **387** |

**Change in the valuation of financial instruments at December 31, 2021**

| €'000 | Interest Rate swaps | Exchange rate hedging | Financial instruments |
|---|---|---|---|
| Fair value level | Level 2 | Level 2 | |
| **Value at beginning of year** | **3,611** | **651** | **4,262** |
| Value adjustment in OCI | (2,264) | - | (2,264) |
| Value adjustment in P&L | (1,609) | 1,356 | (254) |
| Exchange gains or losses | 7 | - | 7 |
| **Value at end of the period** | **(256)** | **2,007** | **1,751** |
| | | | |
| **Derivatives instruments included in the assets** | | | **(1,175)** |
| **Derivatives instruments included in the liabilities** | | | **2,926** |

### Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities. The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.
Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).
Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements.
The group is subject to financial ratios pursuant to its bond issuances.

### Credit risk information

The Loxam Group has a credit management policy in place enabling it to evaluate the creditworthiness of the customers. Outstanding balances are monitored with regular reports and financial information concerning customers is tracked regularly. Customer provisions are recorded in the accounts for uncollectable amounts at each month end.

## Note 14 – Borrowings and financial debt

Following the application of IFRS 16 standard, the Group is presenting separately the lease debt related to finance leasing and the lease liability related to operating lease contracts.

### Breakdown of current and non-current financial debt

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Bond (a) | 2,541,375 | 2,642,229 |
| State guarantee loan | 183,532 | 159,963 |
| Bilateral and bridge loans net of issuance costs | 265,517 | 397,286 |
| Lease debt | 169,658 | 223,624 |
| Lease liability | 241,672 | 248,390 |
| Other financial debt | 2,232 | - |
| **Non-current financial debt** | **3,403,987** | **3,671,493** |
| Bond | 300,000 | - |
| State guarantee loan | 53,842 | 53,494 |
| Short-term bilateral loans | 68,650 | 122,967 |
| Commercial papers | 94,000 | 88,500 |
| Short-term lease debt | 96,655 | 107,876 |
| Short-term lease liability | 93,017 | 92,502 |
| Other financial debt | 26,541 | 27,812 |
| Current bank borrowings | 2,505 | 6,135 |
| **Current financial debt** | **735,210** | **499,286** |
| **Financial debt** | **4,139,197** | **4,170,779** |

(a) Net of bond issuance costs.

### Breakdown of financial debt by interest rate

| €’000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Variable-rate debt | 224,931 | 415,680 |
| Fixed-rate debt (a) | 3,909,529 | 3,746,816 |
| Bank overdrafts | 2,505 | 6,135 |
| Other | 2,232 | 2,147 |
| **TOTAL** | **4,139,197** | **4,170,779** |

(a) Including lease liability

### Breakdown of financial debt by maturity

| €’000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| < 1 year | 735,210 | 499,286 |
| 1 to 5 years | 2,912,257 | 3,367,407 |
| > 5 years | 491,730 | 304,086 |
| **TOTAL** | **4,139,197** | **4,170,779** |

### Change in borrowings and financial debt at June 30, 2022

| €'000 | Beginning of year | Change in scope | Increase | Decrease | Other (a) | Exchanges gains or losses | 30.06.2022 |
|---|---|---|---|---|---|---|---|
| Bond issues (b) | **2,841,375** | - | 348,098 | (550,000) | 2,756 | - | 2,642,229 |
| State guarantee loan | **237,374** | - | 5,546 | (29,480) | - | 17 | 213,457 |
| Bilateral loans | **334,167** | - | 248,747 | (58,926) | 172 | (3,907) | 520,253 |
| Commercial papers | **94,000** | - | - | (5,500) | - | - | 88,500 |
| Lease debt | **266,314** | - | 121,765 | (57,489) | - | 911 | 331,500 |
| Lease liability | **334,690** | - | 62,893 | (55,015) | 10 | (1,686) | 340,892 |
| Other financial debt | **31,278** | - | - | - | 2,417 | 253 | 33,948 |
| **TOTAL** | **4,139,197** | **-** | **787,049** | **(756,410)** | **5,355** | **(4,412)** | **4,170,779** |

(a) Including amortization of issuance costs.
(b) Net of issuance costs.

### Change in borrowings and financial debt at December 31, 2021

| €'000 | Beginning of year | Change in scope | Increase | Decrease | Other (a) | Exchanges gains or losses | 31.12.2021 |
|---|---|---|---|---|---|---|---|
| Bond issues (b) | **2,952,989** | - | - | (120,000) | 8,386 | - | 2,841,375 |
| State guarantee loan | **263,992** | - | 3,259 | (29,897) | - | 20 | 237,374 |
| Bilateral loans | **391,283** | 1,687 | 58,965 | (125,961) | 506 | 7,687 | 334,167 |
| Commercial papers | **82,000** | - | 12,000 | - | - | - | 94,000 |
| Lease debt | **271,567** | - | 106,070 | (111,504) | - | 180 | 266,314 |
| Lease liability | **320,315** | 3,182 | 118,687 | (109,854) | 67 | 2,293 | 334,690 |
| Other financial debt | **30,889** | 2,261 | - | - | (1,855) | (16) | 31,278 |
| **TOTAL** | **4,313,033** | **7,130** | **298,981** | **(497,216)** | **7,105** | **10,164** | **4,139,197** |

(a) Including amortization of issuance costs.
(b) Net of issuance costs.

## Note 15 – Employee benefits

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Net Defined Benefit Obligation | **53,339** | **41,390** |

| **Reconciliation of the commitment and the provision** | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Commitment | 56,110 | 44,160 |
| Plan assets | (2,770) | (2,770) |
| **Net Defined Benefit Obligation at year-end / period** | **53,339** | **41,390** |

| **Movement in Defined Benefit Liability** | 31.12.2021 | 30.06.2022 |
|---|---|---|
| **Net Defined Benefit Liability at beginning of year** | **57,114** | **53,339** |
| Expense for the financial year | 4,232 | 1,870 |
| Recognition of actuarial gains or losses through OCI (a) | (2,501) | (14,352) |
| Benefits or contributions paid by the employer | (1,690) | (625) |
| Exchange gains or losses | (774) | (1,018) |
| Change in accounting method by OCI (b) | (3,042) | - |
| Other movements (c) | - | 2,176 |
| **Net Defined Benefit Obligation at year-end / period** | **53,339** | **41,390** |

(a) At December 31, 2021 and June 30, 2022, mainly relates to the increase of discount rates used in France and Sweden.
(b) At December 31, 2021, impact of the interpretation IFRIC-IAS 19 modifying the recognition of pension provision in France.
(c) At June 30, 2022, reclassification of "end of service benefits" from current liabilities.

| **Breakdown of the expense for the financial year** | **31.12.2021** | **30.06.2022** |
|---|---|---|
| Current service cost | 3,609 | 1,419 |
| Other | (50) | 12 |
| Interest cost | 673 | 438 |
| **Expense for the year / period** | **4,232** | **1,870** |

The provisions for employee benefits concern retirement benefits for €40,380k at June 30, 2022 compared to €52,333k at December 31, 2021 and jubilee awards for €1,009k at June 30, 2022 compared to €1,007k at December 31, 2021.

## Note 16 – Provisions

### Change in provisions at June 30, 2022

| €'000 | Provisions for restructuring | Others provisions for contingencies | Provisions for charges | Total |
|---|---|---|---|---|
| **Balance at beginning of year** | **3,611** | **5,501** | **1,130** | **10,243** |
| Allocations | - | 853 | 231 | 1,083 |
| Reversals | (1,295) | (1,061) | (320) | (2,676) |
| Exchange gains or losses and other | (80) | 281 | (300) | (99) |
| **Balance at end of year / period** | **2,236** | **5,574** | **741** | **8,551** |

### Change in provisions at December 31, 2021

| €'000 | Provisions for restructuring | Others provisions for contingencies | Provisions for charges | Total |
|---|---|---|---|---|
| **Balance at beginning of year** | **6,773** | **6,468** | **1,861** | **15,102** |
| Allocations | 2,460 | 1,173 | 400 | 4,033 |
| Reversals | (5,697) | (2,125) | (1,431) | (9,253) |
| Exchange gains or losses and other | 75 | (14) | 301 | 361 |
| **Balance at end of year / period** | **3,611** | **5,501** | **1,130** | **10,243** |

## Note 17 – Trade payables and other current liabilities

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Trade payables | 202,984 | 182,893 |
| Payables to fixed asset suppliers | 106,074 | 108,401 |
| **Trade payables and related** | **309,058** | **291,294** |
| **Corporate income tax liabilities** | **7,535** | **9,121** |
| Tax and social security liabilities | 149,938 | 138,483 |
| Other liabilities | 37,577 | 38,065 |
| Accrued income | 164 | 119 |
| **Other liabilities and accruals** | **187,680** | **176,667** |
| **Total current liabilities** | **504,273** | **477,083** |

## Note 18 – Segments information

Group's results are presented under a new geographical breakdown composed of three divisions:

- France division, comprising both the generalist and specialist rental operations in France;
- Nordic countries, consisting in Denmark, Norway, Sweden and Finland,
- Rest of the World, including all other international countries where Loxam operates.

**Revenue by division**

| €'000 | 30.06.2021 | *% of total* | 30.06.2022 | *% of total* |
|---|---|---|---|---|
| France | 457,306 | *43.8%* | 483,699 | *41.4%* |
| Nordic countries | 304,520 | *29.2%* | 349,793 | *29.9%* |
| Rest of the World | 282,572 | *27.1%* | 334,679 | *28.6%* |
| **Total Revenue** | **1,044,398** | ***100.0%*** | **1,168,171** | ***100.0%*** |

**EBITDA by division**

EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of the operating performance or any other measures of performance derived in accordance with IFRS.

EBITDA is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

| €'000 | 30.06.2021 | *% of Revenue* | 30.06.2022 | *% of Revenue* |
|---|---|---|---|---|
| France | 168,517 | *36.9%* | 176,068 | *36.4%* |
| Nordic countries | 88,493 | *29.1%* | 102,718 | *29.4%* |
| Rest of the World | 107,018 | *37.9%* | 122,967 | *36.7%* |
| **Total EBITDA** | **364,028** | ***34.9%*** | **401,752** | ***34.4%*** |

**Profit from ordinary operations by division**

| €'000 | 30.06.2021 | *% of Revenue* | 30.06.2022 | *% of Revenue* |
|---|---|---|---|---|
| France | 69,714 | *15.2%* | 71,894 | *14.9%* |
| Nordic countries | 14,792 | *4.9%* | 23,152 | *6.6%* |
| Rest of the World | 20,945 | *7.4%* | 32,451 | *9.7%* |
| **Total Profit from ordinary operations** | **105,452** | ***10.1%*** | **127,497** | ***10.9%*** |

## Note 19 – Personnel expenses

| €'000 | 30.06.2021 | 30.06.2022 |
|---|---|---|
| Salaries | 207,806 | 227,233 |
| Payroll taxes | 63,445 | 67,821 |
| Other personnel expenses (a) | 12,634 | 9,101 |
| Personal benefits | 1,376 | 807 |
| Incentive and employee profit-sharing | 7,218 | 8,204 |
| **Total personnel expenses** | **292,478** | **313,165** |
| Average headcount | 10,939 | 11,546 |

(a) Related to severances paid, contributions to social work and other social welfares contributions.

## Note 20 – Other operating income and expenses

At June 30, 2022, other operating income and expenses amounted to €(80)k and were related to costs incurred for the assets deals in Sweden.

At June 30, 2021, other operating income and expenses for €(1,566)k included the JM Trykluft acquisition costs for €(549)k, the impairment of capitalized costs for non-completed projects in Sweden for €(650)k, and the full depreciation of Nacanco's trademark in Loxam Access SRL for €(367)k.

## Note 21 – Financial income (expense)

| €'000 | 30.06.2021 | 30.06.2022 |
|---|---|---|
| Interest and financing-related expenses (a) | (76,219) | (74,756) |
| Income from cash and cash equivalents | 29 | - |
| **Net finance costs** | **(76,190)** | **(74,756)** |
| Foreign exchange gains or losses | 38 | (772) |
| Fair value adjustments of interest rate Swaps | 974 | 1,780 |
| Other financial income and expenses (b) | 146 | (504) |
| **Financial income (expense)** | **(75,032)** | **(74,253)** |

(a) At June 30, 2022, includes expenses related to lease financial debt €(2,957)k and interest related to lease liabilities €(5,016)k.
At June 30, 2021, includes expenses related to lease financial debt €(1,964)k and interest related to lease liabilities €(4,908)k.

(b) At June 30, 2022, includes the full depreciation of the receivable balance of €(776)k with Fortrent.

## Note 22 – Corporate income tax

### Analysis of tax expense

| €'000 | 30.06.2021 | 30.06.2022 |
|---|---|---|
| Current tax | (6,232) | (12,531) |
| Deferred tax | 3,060 | (235) |
| **Total** | **(3,172)** | **(12,765)** |

### Deferred tax assets and liabilities

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| **Opening balance** | **(177,614)** | **(186,114)** |
| Income (expense) | (3,022) | (235) |
| Changes in scope | (3,544) | - |
| Own funds allocation | (934) | (3,007) |
| Other changes | (1,000) | 2,877 |
| **Closing balance** | **(186,114)** | **(186,478)** |
| Deferred tax assets | 14,113 | 11,819 |
| Deferred tax liabilities | (200,227) | (198,297) |

Deferred tax assets primarily relate to temporary differences and the use of loss carry forwards. The deferred tax liabilities relate to temporary differences primarily linked to accelerated tax depreciation charges and to intangible assets from the PPA.

## Note 23 – Off-balance sheet commitments

| €'000 | 31.12.2021 | 30.06.2022 |
|---|---|---|
| Guarantee given to banks for payment of real estate rentals | 2,398 | 2,316 |
| Pledging of business assets as collateral | 360 | 360 |
| **Total commitments given** | **2,758** | **2,676** |

Other commitments given to guarantee bank borrowings recorded on the balance sheet:

- Guarantees from Loxam SAS on subsidiaries' borrowings (bilateral loans and finance leases) for €23,947k at June 30, 2022 and for €18,827k at December 31, 2021;
- Guarantees from Ramirent on its subsidiaries' borrowings (bilateral loans and finance leases) for €3,044k at June 30, 2022 and €3,229k at December 31, 2021;
- Guarantee from Loxam SAS relating to the commitments for employee benefits of its subsidiary Ramirent Sweden, capped at SEK 320 million;
- Pledge of Loxam Power, Loxam Module, Lavendon Group Ltd and Ramirent Oy shares as well as the Loxam brand as collateral to guarantee €2,100 million of Senior Secured bonds as at June 30, 2022 and €2,300 million of Senior Secured bonds as at December 31, 2021;
- Five-year senior secured Revolving Credit Facility of €345 million. Transfer under the Dailly Act: 110% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan. The RCF remained undrawn during the period.

In addition, the Group applies the exemptions provided by IFRS 16 standard for low-value equipment and short-term contracts and therefore keeps contractual operating lease commitments.